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Lockwood Broadcast Group

February 27, 2003

**VIA ELECTRONIC
COMMENT FILING SYSTEM**

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
9300 East Hampton Drive
Capitol Heights, MD 20743

**Re: MB Docket No. 02-277
MM Docket No. 01-235
MM Docket No. 01-317
MM Docket No. 00-244
Ex Parte Comments of Lockwood Broadcasting, Inc.
in Conjunction with FCC's Public Hearing in Richmond, Va.**

Dear Ms. Dortch:

I am writing as President of Lockwood Broadcasting, Inc. Lockwood is the parent company of Bell Broadcasting, LLC, the licensee of Television Station WUPV(TV), Ashland, Virginia, and Channel 49 Acquisition Corporation, the licensee of Television Station KTEN(TV), Ada, Oklahoma. As a two-television station group, Lockwood has much at stake in the FCC Omnibus Ownership Proceeding. Lockwood desires to expand its company by acquiring additional full-power stations, however in doing so, Lockwood wishes to recognize the economic efficiencies and public interest advantages involved in operating television duopolies. Accordingly, Lockwood supports substantial liberalization of the local television ownership rule.

WUPV(TV) is a UPN affiliate located in the Richmond-Petersburg DMA. The Richmond-Petersburg DMA is ranked 59th among the nation's 210 Nielsen DMAs for the

2002-2003 television season. According to Nielsen, the Richmond-Petersburg DMA contains approximately 505,370 television households, which represent 0.474 percent of all U.S. television households. KTEN(TV) is an NBC affiliate located in the Sherman, TX-Ada, OK DMA. The Sherman-Ada DMA is ranked 160th in the nation and contains approximately 120,770 television households, which represent 0.113 percent of all U.S. television households.

As with virtually all DMAs in the country, there is significant media diversity in the Richmond-Petersburg DMA and the Sherman-Ada DMA. Television stations like WUPV and KTEN simply do not operate in a vacuum. The record in the Commission's ownership proceeding shows that there are more than 76 media voices in the Richmond-Petersburg DMA and more than 41 media voices in the Sherman-Ada DMA. In Richmond, these voices include 7 full power television stations (CBS, ABC, NBC, Fox, UPN, and two PBS stations), 63 radio stations, 5 daily newspapers, and several cable systems. In addition, DirecTV has recently begun local-into-local service in Richmond. In the Sherman-Ada DMA, there are 3 television stations, 32 radio stations, 6 daily newspapers, and several cable systems. In addition, the WB network distributes its programming over the local cable systems through its 100+ markets "station in a box" program. Moreover, the Sherman-Ada DMA is a unique market in that the signals of a number of Dallas-Fortworth market and Oklahoma City market television stations are available via cable systems in the DMA, including out-of-market NBC stations that are not subject to network nonduplication protection. The signals of several of these out-of-market stations are also available over the air in portions of the Sherman-Ada DMA. In addition to all of these "traditional" media voices, consumers are now beginning to use "new" media such as the Internet, video-on-demand services, and video games, as substitutes for television news and entertainment.

It is clear that competition is robust in markets in which Lockwood operates its television stations. Given that full power stations must compete with various other media for the attention of consumers, such as low-power television stations, radio stations, newspapers, cable systems, satellite providers, the Internet, video-on-demand services, and video games, the Commission's current local television ownership rule which only takes into account full power television stations makes no sense. The Commission must consider other competing media. For example, the two full power stations in the Sherman market, combined, only have an average 26% daypart audience share—it seems media other than full power television stations has the attention of a substantial portion of the viewing audience in Sherman.

Lockwood agrees with the various commenters in this proceeding who argue that the current duopoly rule should be changed—all competing media in a market must be taken into account. Given the multitude of media outlets, the Commission's local ownership rules can be significantly relaxed and still protect diversity and competition. The Commission should adopt a rule that is based on television station audience share. Particularly, Lockwood joins the many broadcast groups that support NAB's "10/10" proposal that was advanced in NAB's initial comments in this proceeding.

Under NAB's "10/10" proposal, Lockwood could form duopolies in both the Richmond and Sherman markets. Moreover, Lockwood could efficiently provide a new voice by operating new duopolies in other markets. As a small broadcast group, the most effective and efficient way for Lockwood to expand is to form duopolies. As the Commission is aware, the economic efficiencies associated with operating a duopoly serve the public interest by, for example, providing financial assistance to a struggling station, assisting a struggling television station with its conversion from analog to digital operations, providing more resources for local programming, and providing effective competition with other media outlets.

Particularly, Lockwood agrees with the various broadcast groups, such as Sinclair, Nextar Broadcasting, Coalition Broadcasters, and Belo, who have shown in their Comments how their duopoly operations have improved the overall amount and quality of their duopoly stations' local programming. For example, duopolies provide a way for television stations to devote more resources to producing and airing local news and public affairs programming. Indeed, joint ownership can bring local programming to a station that otherwise could not sustain such programming on its own. While centralizing news operations of two stations can bring more local programming to the stations, as various commenters have explained, this does not mean the programming content on each station will be the same—competition for audience demands that each station provide varied content. In addition to the consolidation of news and programming resources, duopoly operations can eliminate redundant studio space, office space, and equipment.

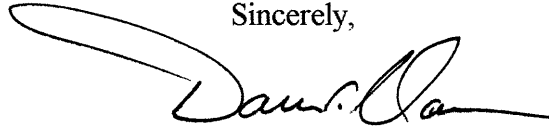
Lockwood wishes to impress upon the Commission that not every small broadcaster is looking to be acquired by large national broadcast groups. Liberalization of the local television ownership rule will mean that smaller broadcasters, such as Lockwood, would have more opportunities to expand their operations, serve the public interest by consolidating a "weaker" station with a "stronger" station, and at the same time recognize the business efficiencies involved in operating duopolies.

In short, given the wide multitude of media outlets that compete with local television stations, the efficiencies involved in operating duopolies, and the public interests served by permitting duopolies, Lockwood respectfully urges the Commission to significantly liberalize the television duopoly rule.

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Thank you for your consideration of Lockwood's views.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Hanna". The signature is fluid and cursive, with a large, sweeping initial "D" that extends to the left.

David A. Hanna
President